Style Engineer Watching and Targeting

Background

Style Engineer is the darling of Wall Street. It is a growing retail chain with the right demographics to be successful in today’s markets. It is also the most data driven retailer in the marketplace. Everything from new items to pricing is driven by predictive sciences. Online and in stores, Style Engineer strives to understand their customers, motivate them to buy, and duplicate their best customers.

Style Engineer has a customer relationship management (CRM) system that contains both online and in-store shopping data. So it understands not just what its customers buy, but it also understands the process they go through in buying its products.

Style Engineer’s latest CRM addition is a smart phone app that links with in-store Bluetooth beacons. The app facilitates location within the store and duration at each location. The app makes special note of patterns, such as when an individual returns to a target location. The location information is linked to very detailed store maps for each and every product.

The CRM system also has a history of each customer’s in-store and online purchases and returns. It also has the online browsing history behavior of customers and prospects. It also is enriched with a full range of data from numerous data brokers. If the data is readily available and if it is lawful to use the data, Style Engineer will test its predictive value.

Style engineering understands its shoppers are hip and use more than one device. Third parties are used to link devices together to get a complete customer picture. Third party vendors are also used to determine whether the consumer has visited other locations that use beacons.

Style Engineer has a very detailed statement on its website. It is forty-five pages long, revised on a quarterly basis, and begins with the following words in a larger font size that says, “At Style Engineer We Respect Your Privacy.”

Style Engineer has a very active research team which is tasked with using big data technologies to look for correlations that go beyond the marketing team’s intuition. The marketing team is tasked with taking insights and translating them into increased sales and linking the sale of one product to other complimentary products.

Linking research and marketing is Style Engineer’s Future Growth group, led by the EVP of Future Growth. The EVP is not just responsible for sales and profits but also for assuring that
Style Engineer’s future brand reputation remains a major corporate asset. So her ultimate goal is to be aggressive but not at the expense of the company’s reputation with the media, consumers and regulators.

Congratulations. You are the SVP for Data Ethics in the Future Growth group. You and your team are responsible for assuring that Style Engineer uses data in a manner that considers the interests of the full range of Style Engineer’s stakeholders, including shareholders, customers, and employees. You have a strong partnership with the chief privacy counsel, who works in the law department. The chief privacy counsel advises you on whether processing is prohibited or whether there are legal uncertainties. Every day you remind your team that individual interests go beyond just privacy.

You believe that big data has two major phases, discovery and implementation, that may be broken into sub-phases. The research team takes the lead in discovery, while the marketing team takes the lead in implementation. Your team works with both to assure that all aspects of data ethics are considered. Coordination between the two teams is continuous, and your team is part of it. At the end of the day, research and marketing are accountable for the decisions they make, but you are accountable for their teams making decisions with integrity.

**Scenario 1 (Discovery group 1)**

The research team wants to understand if by using the phone app and beacons in stores, Style Engineer can motivate the consumer to make the best bundle of purchases that maximizes both store profitability and the customer’s desire for a purchase that fits his or her lifestyle. Among the learnings desired is an understanding of when the customer may be motivated to migrate to similar goods which have better margins for Style Engineer. Research wants to mine the CRM data with duration at product locations, at other retailers who may sell similar items, and link it to pre-shopping browsing on the website and to third party attributes to see if they can determine what correlates with a maximized purchase.

**Scenario 2 (Implementation group 2)**

The marketing team is very pleased at what the research team has learned. They want to test the insights in stores, by using different discounts on different bundles of products. They want to push the discounts via the smart phone app in the stores. They will differentiate the price and the product bundles based on the profiles that exist in the CRM system and on the individuals’ geographic locations. They will also factor in whether competitors are in play to define needed discounts. Two individuals in the same store buying the same bundle of goods may get very different discounts. Style Engineer will do the same testing on its website. For customers who login, the process will be similar to the in-store process.